

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT  
OF PROPOSED LOCAL GOVERNMENT FINANCING**

April 17, 2020

Joint Legislative Committee on Local  
Government  
16 West Jones Street  
Raleigh, North Carolina 27601  
Attention: Committee Chairs and Assistant

Fiscal Research Division  
Legislative Office Building  
300 North Salisbury Street, Suite 619  
Raleigh, North Carolina 27603-5925  
Attention: Director

North Carolina Local Government Commission  
3200 Atlantic Avenue  
Longleaf Building  
Raleigh, North Carolina 27604  
Attention: Secretary

***City of Hendersonville, North Carolina  
Installment Contract***

In accordance with N.C. Gen. Stat. §120-157.2(a), the City of Hendersonville, North Carolina (the "*City*") hereby notifies you of the City's intent to enter into an installment contract under Section 160A-20 of the General Statutes of North Carolina, as amended (the "*Interim Contract*"), the proceeds of which will be used to pay the capital costs of construction of a new police station (the "*Project*"). To secure the City's obligations under the Interim Contract, the City expects to execute and deliver a deed of trust and security agreement (the "*Interim Deed of Trust*") under which the City will grant a lien on the City's fee simple interest in the real property on which the Project will be located, together with the improvements thereon. The City expects to discharge the Interim Contract upon completion of the construction of the Project, at which time the City will enter into an installment financing contract (the "*USDA Contract*," and together with the Interim Contract, the "*Contracts*") with the United States Department of Agriculture, Rural Development for long-term financing of the Project and execute and deliver a deed of trust and security agreement (the "*USDA Deed of Trust*," and together with the Interim Deed of Trust, the "*Deeds of Trust*") securing the City's obligations under the USDA Contract.

The City expects that the Contracts will have a term of approximately 40 years and that the amount advanced to the City under the Contracts will be approximately \$11,500,000. The City may pay its obligations under the Contract from any source of funds available to it in each year. The City's obligation to make payments under the Contract is a limited obligation of the City, subject to annual appropriation, and does not constitute a direct or indirect pledge of the faith and credit or the taxing power of the City.

The City will request that the Local Government Commission of North Carolina (the "*Commission*") consider for approval the City's proposal to execute and deliver the Contracts at the Commission's meeting scheduled for June 2, 2020 or such later meeting as the City and the Commission may determine.

If you have any further questions please feel free to contact me at (828) 233-2880.

**CITY OF HENDERSONVILLE, NORTH CAROLINA**

By:

A handwritten signature in black ink, appearing to read 'CBL', written over a horizontal line.

John Buchanan  
Finance Director